

**Sanford
Holshouser LLP**

209 Lloyd St., Suite 350
Carrboro, NC 27510

April 19, 2013

Joint Legislative Committee on Local Government
Attention: Committee Chairs, Committee Ass't
North Carolina General Assembly
16 West Jones St.
Raleigh, NC 27601

Fiscal Research Division
Attention: Director
North Carolina General Assembly
300 North Salisbury St., Suite 610
Raleigh, NC 27603

**Notice to the Joint Legislative Committee on Local Government
Concerning Proposed Financing by the Town of Hillsborough**

To the Committee:

As special counsel to the Town of Hillsborough, North Carolina, I am providing this notice in accordance with N.C. Gen. Stat. Section 120-157.2 of a proposed local government capital project that requires approval of the North Carolina Local Government Commission and requires debt to be issued in an amount exceeding \$1,000,000. The following is additional information concerning the proposed financing –

Project description – Road construction and other public improvements

LGC meeting for consideration – June 4

Estimated amount to be financed – Approximately \$5,100,000

Type of financing – special assessment revenue bonds

Description of other sources of financing – The Town expects that the amount borrowed will pay substantially all the costs of the project.

Estimated financing term – The Town expects a financing term of approximately 10.5 years, which is less than the expected useful life of the property being financed.

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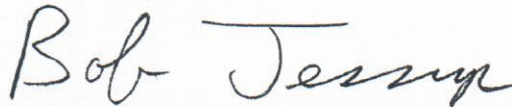
page 2

Estimated interest rate – Under current market conditions, the Town expects a true interest cost of the financing of approximately 5.20%.

Expected source of repayment – special assessments to be imposed in the area benefitted by the improvements

Please let me know if you have additional questions or comments for me about this proposed financing.

Very truly yours,

A handwritten signature in cursive script that reads "Bob Jessup".

Robert M. Jessup Jr.

cc: T. Vance Holloman, Secretary of the Local Government Commission
c/o Biff McGilvray
Eric Peterson, Hillsborough Town Manager
Robert E. Hornik, Jr., Esq.
Mark Bondo, legislative staff [mark.bondo@ncleg.net]
(each by electronic mail)